



HEALTH ANNUAL STATEMENT  
FOR THE YEAR ENDING DECEMBER 31, 2007  
OF THE CONDITION AND AFFAIRS OF THE

Priority Health

NAIC Group Code	3383	3383	NAIC Company Code	95561	Employer's ID Number	38-2715520
	(Current Period)	(Prior Period)				
Organized under the Laws of	Michigan			State of Domicile or Port of Entry	Michigan	
Country of Domicile	United States					
Licensed as business type:	Life, Accident & Health [ ]		Property/Casualty [ ]		Dental Service Corporation [ ]	
	Vision Service Corporation [ ]		Other [ ]		Health Maintenance Organization [ X ]	
	Hospital, Medical & Dental Service or Indemnity [ ]		Is HMO, Federally Qualified? Yes [ ]		No [ X ]	
Incorporated/Organized	03/07/1986		Commenced Business	10/15/1986		
Statutory Home Office	1231 East Beltline NE			Grand Rapids, MI 49525-4501		
	(Street and Number)			(City or Town, State and Zip Code)		
Main Administrative Office	1231 East Beltline NE					
	Grand Rapids, MI 49525-4501			616-942-0954		
	(City or Town, State and Zip Code)			(Area Code) (Telephone Number)		
Mail Address	1231 East Beltline NE			Grand Rapids, MI 49525-4501		
	(Street and Number or P.O. Box)			(City or Town, State and Zip Code)		
Primary Location of Books and Records	1231 East Beltline NE					
	Grand Rapids, MI 49525-4501			616-464-8926		
	(City or Town, State and Zip Code)			(Area Code) (Telephone Number)		
Internet Website Address	www.priority-health.com					
Statutory Statement Contact	Kristy Shoemaker			616-464-8926		
	(Name)			(Area Code) (Telephone Number) (Extension)		
	kristy.shoemaker@priority-health.com			616-942-7916		
	(E-mail Address)			(FAX Number)		

OFFICERS

Name	Title	Name	Title
Kimberly K Horn	President / Chief Executive Officer	Judith W Hooyenga	Secretary
Gregory A Hawkins #	Treasurer / Chief Financial Officer		

OTHER OFFICERS

DIRECTORS OR TRUSTEES

Dennis Aloia	Daniel H Baldwin	Craig H Bethune	Richard C Breon
Gaylen J Byker	Karl D Deck	Georgia R Fojtajek #	Michael P Freed
Lynn Kotecki	Michael I Love	Peter B Lundeen	Christina MacInnes
Edward M Millermaier #	Kathleen S Ponitz	Stephen B Reznicek	Robert W Roth
Thomas G Schwaderer	Timothy V Smith	Hilary F Snell	Dale M Sowders
James J Stephanak	Jody D Vanderwel	Douglas A Zwemer #	

State of .....Michigan.....

ss

County of .....Kent.....

The officers of this reporting entity, being duly sworn, each depose and say that they are the described officers of said reporting entity, and that on the reporting period stated above, all of the herein described assets were the absolute property of the said reporting entity, free and clear from any liens or claims thereon, except as herein stated, and that this statement, together with related exhibits, schedules and explanations therein contained, annexed or referred to is a full and true statement of all the assets and liabilities and of the condition and affairs of the said reporting entity as of the reporting period stated above, and of its income and deductions therefrom for the period ended, and have been completed in accordance with the NAIC Annual Statement Instructions and Accounting Practices and Procedures manual except to the extent that: (1) state law may differ; or, (2) that state rules or regulations require differences in reporting not related to accounting practices and procedures, according to the best of their information, knowledge and belief, respectively. Furthermore, the scope of this attestation by the described officers also includes the related corresponding electronic filing with the NAIC, when required, that is an exact copy (except for formatting differences due to electronic filing) of the enclosed statement. The electronic filing may be requested by various regulators in lieu of or in addition to the enclosed statement.

Kimberly K Horn	Judith W Hooyenga	Gregory A Hawkins
President / Chief Executive Officer	Secretary	Treasurer / Chief Financial Officer
Subscribed and sworn to before me this		
_____ day of _____ February, 2008		
Cheryl Britcher		
Executive Administrative Assistant		
12/30/2011		
a. Is this an original filing?		Yes [ X ] No [ ]
b. If no,		
1. State the amendment number		_____
2. Date filed		_____
3. Number of pages attached		_____

# ANNUAL STATEMENT FOR THE YEAR 2007 OF THE Priority Health

## EXHIBIT 2 - ACCIDENT AND HEALTH PREMIUMS DUE AND UNPAID

[illegible]

## EXHIBIT 3 - HEALTH CARE RECEIVABLES

[illegible]

**EXHIBIT 4 – CLAIMS UNPAID AND INCENTIVE POOL, WITHHOLD AND BONUS (Reported and Unreported)**

20

## ANNUAL STATEMENT FOR THE YEAR 2007 OF THE Priority Health

## EXHIBIT 5 - AMOUNTS DUE FROM PARENT, SUBSIDIARIES AND AFFILIATES

[illegible]

## ANNUAL STATEMENT FOR THE YEAR 2007 OF THE Priority Health

## EXHIBIT 6 - AMOUNTS DUE TO PARENT, SUBSIDIARIES AND AFFILIATES

[illegible]

## EXHIBIT 7 PART 1 - SUMMARY OF TRANSACTIONS WITH PROVIDERS

## EXHIBIT 7 - PART 2 - SUMMARY OF TRANSACTIONS WITH INTERMEDIARIES

**NONE**

EXHIBIT 8 – FURNITURE, EQUIPMENT AND SUPPLIES OWNED

	1	2	3	4	5	6
Description	Cost	Improvements	Accumulated Depreciation	Book Value Less Encumbrances	Assets Not Admitted	Net Admitted Assets
1. Administrative furniture and equipment .....	2,110,438		(1,903,376)	207,062	207,062	
2. Medical furniture, equipment and fixtures .....						
3. Pharmaceuticals and surgical supplies .....						
4. Durable medical equipment .....						
5. Other property and equipment	15,984,793		(5,733,649)	10,251,114	10,251,114	
6. Total	18,095,231	0	(7,637,025)	10,458,176	10,458,176	0



ANNUAL STATEMENT FOR THE YEAR 2007 OF THE Priority Health

EXHIBIT OF PREMIUMS, ENROLLMENT AND UTILIZATION (a)

REPORT FOR: 1. CORPORATION Priority Health 2. \_\_\_\_\_ (LOCATION) \_\_\_\_\_

NAIC Group Code	3383	BUSINESS IN THE STATE OF Michigan		DURING THE YEAR 2007				NAIC Company Code		95561
	1	Comprehensive (Hospital & Medical)		4	5	6	7	8	9	10
		2	3							
	Total	Individual	Group	Medicare Supplement	Vision Only	Dental Only	Federal Employees Health Benefit Plan	Title XVIII Medicare	Title XIX Medicaid	Other
<b>Total Members at end of:</b>										
1. Prior Year .....	436,357	1,209	429,662					5,486		
2. First Quarter .....	413,773	1,094	406,420					6,259		
3. Second Quarter .....	405,636	1,122	397,948					6,566		
4. Third Quarter .....	399,474	1,091	391,011					7,372		
5. Current Year	398,183	1,090	389,365					7,728		
6. Current Year Member Months	4,871,980	13,332	4,776,647					82,001		
<b>Total Member Ambulatory Encounters for Year:</b>										
7. Physician .....	4,372,165	11,321	4,220,814					140,030		
8. Non-Physician .....	763,628	307	759,524					3,797		
9. Total	5,135,793	11,628	4,980,338	0	0	0	0	143,827	0	0
10. Hospital Patient Days Incurred	112,127	213	102,541					9,373		
11. Number of Inpatient Admissions	26,850	55	25,332					1,463		
12. Health Premiums Written (b).....	1,376,076,940	4,003,628	1,319,093,101					52,980,211		
13. Life Premiums Direct .....	0									
14. Property/Casualty Premiums Written.....	0									
15. Health Premiums Earned.....	1,375,182,101	4,000,942	1,318,208,115					52,973,044		
16. Property/Casualty Premiums Earned.....	0									
17. Amount Paid for Provision of Health Care Services .....	1,245,003,801	4,676,490	1,194,887,742					45,439,569		
18. Amount Incurred for Provision of Health Care Services	1,241,178,965	4,670,262	1,188,424,535					48,084,168		

(a) For health business: number of persons insured under PPO managed care products 0 and number of persons under indemnity only products 0

(b) For health premiums written: amount of Medicare Title XVIII exempt from state taxes of fees \$ 0



ANNUAL STATEMENT FOR THE YEAR 2007 OF THE Priority Health

EXHIBIT OF PREMIUMS, ENROLLMENT AND UTILIZATION (a)

REPORT FOR: 1. CORPORATION Priority Health 2. \_\_\_\_\_ (LOCATION)

NAIC Group Code	3383	BUSINESS IN THE STATE OF Consolidated		DURING THE YEAR 2007				NAIC Company Code		95561
	1	Comprehensive (Hospital & Medical)		4	5	6	7	8	9	10
		2	3							
	Total	Individual	Group	Medicare Supplement	Vision Only	Dental Only	Federal Employees Health Benefit Plan	Title XVIII Medicare	Title XIX Medicaid	Other
Total Members at end of:										
1. Prior Year .....	436,357	1,209	429,662	0	0	0	0	5,486	0	0
2. First Quarter .....	413,773	1,094	406,420	0	0	0	0	6,259	0	0
3. Second Quarter .....	405,636	1,122	397,948	0	0	0	0	6,566	0	0
4. Third Quarter .....	399,474	1,091	391,011	0	0	0	0	7,372	0	0
5. Current Year	398,183	1,090	389,365	0	0	0	0	7,728	0	0
6. Current Year Member Months	4,871,980	13,332	4,776,647	0	0	0	0	82,001	0	0
Total Member Ambulatory Encounters for Year:										
7. Physician .....	4,372,165	11,321	4,220,814	0	0	0	0	140,030	0	0
8. Non-Physician .....	763,628	307	759,524	0	0	0	0	3,797	0	0
9. Total	5,135,793	11,628	4,980,338	0	0	0	0	143,827	0	0
10. Hospital Patient Days Incurred	112,127	213	102,541	0	0	0	0	9,373	0	0
11. Number of Inpatient Admissions	26,850	55	25,332	0	0	0	0	1,463	0	0
12. Health Premiums Written (b).....	1,376,076,940	4,003,628	1,319,093,101	0	0	0	0	52,980,211	0	0
13. Life Premiums Direct .....	0	0	0	0	0	0	0	0	0	0
14. Property/Casualty Premiums Written.....	0	0	0	0	0	0	0	0	0	0
15. Health Premiums Earned.....	1,375,182,101	4,000,942	1,318,208,115	0	0	0	0	52,973,044	0	0
16. Property/Casualty Premiums Earned.....	0	0	0	0	0	0	0	0	0	0
17. Amount Paid for Provision of Health Care Services .....	1,245,003,801	4,676,490	1,194,887,742	0	0	0	0	45,439,569	0	0
18. Amount Incurred for Provision of Health Care Services	1,241,178,965	4,670,262	1,188,424,535	0	0	0	0	48,084,168	0	0

(a) For health business: number of persons insured under PPO managed care products 0 and number of persons under indemnity only products 0

(b) For health premiums written: amount of Medicare Title XVIII exempt from state taxes of fees \$ 0

SCHEDULE A - VERIFICATION BETWEEN YEARS

Real Estate

1. Book/adjusted carrying value, December 31, prior year.....	0
2. Increase (decrease) by adjustment:	
2.1 Totals, Part 1, Column 11 .....	0
2.2 Totals, Part 3, Column 8 .....	0
3. Cost of acquired, (Totals, Part 2, Column 6, net of encumbrances, Column 7, and net of credit to permanent improvements (Column 9) .....	0
4. Cost of additions and permanent improvements:	
4.1 Totals, Part 1, Column 14 .....	0
4.2 Totals, Part 3, Column 10 .....	0
5. Total profit (loss) on sales, Part 3, Column 15 .....	0
6. Increase (decrease) by foreign exchange adjustment:	
6.1 Totals, Part 1, Column 12 .....	0
6.2 Totals, Part 3, Column 9 .....	0
7. Amounts received on sales, Part 3, Column 12 and Part 1, Column 13 .....	0
8. Book/adjusted carrying value at end of current period .....	0
9. Total valuation allowance .....	
10. Subtotal (Lines 8 plus 9) .....	0
11. Total nonadmitted amounts .....	
12. Statement value, current period (Page 2, real estate lines, Net Admitted Assets column) .....	0

SCHEDULE B - VERIFICATION BETWEEN YEARS

Mortgage Loans

1. Book value/recorded investment excluding accrued interest on mortgages owned, December 31, prior year .....	0
2. Amount loaned during year:	
2.1 Actual cost at time of acquisitions .....	
2.2 Additional investment made after acquisitions .....	0
3. Accrual of discount and mortgage interest points and commitment fees .....	
4. Increase (decrease) by adjustment .....	
5. Total profit (loss) on sale .....	
6. Amounts paid on account or in full during the year .....	
7. Amortization of premium .....	
8. Increase (decrease) by foreign exchange adjustment .....	
9. Book value/recorded investment excluding accrued interest on mortgages owned at end of current period .....	0
10. Total valuation allowance .....	
11. Subtotal (Lines 9 plus 10) .....	0
12. Total nonadmitted amounts .....	
13. Statement value of mortgages owned at end of current period (Page 2, mortgage lines, Net Admitted Assets column).....	0

SCHEDULE BA - VERIFICATION BETWEEN YEARS

Long-Term Invested Assets

1. Book/adjusted carrying value of long-term invested assets owned, December 31 of prior year .....	0
2. Cost of acquisitions during year:	
2.1 Actual cost at time of acquisitions .....	
2.2 Additional investment made after acquisitions .....	0
3. Accrual of discount .....	
4. Increase (decrease) by adjustment .....	
5. Total profit (loss) on sale .....	0
6. Amounts paid on account or in full during the year .....	
7. Amortization of premium .....	
8. Increase (decrease) by foreign exchange adjustment .....	
9. Book/adjusted carrying value of long-term invested assets at end of current period .....	0
10. Total valuation allowance .....	
11. Subtotal (Lines 9 plus 10) .....	0
12. Total nonadmitted amounts .....	
13. Statement value of long-term invested assets at end of current period (Page 2, Line 7, Column 3).....	0

ANNUAL STATEMENT FOR THE YEAR 2007 OF THE Priority Health

SCHEDULE D - PART 1A - SECTION 1

Quality and Maturity Distribution of All Bonds Owned December 31, at Book/Adjusted Carrying Values by Major Types of Issues and NAIC Designations

Quality Rating per the NAIC Designation	1 1 Year or Less	2 Over 1 Year Through 5 Years	3 Over 5 Years Through 10 Years	4 Over 10 Years Through 20 Years	5 Over 20 Years	6 Total Current Year	7 Col. 6 as a % of Line 10.7	8 Total from Col. 6 Prior Year	9 % From Col. 7 Prior Year	10 Total Publicly Traded	11 Total Privately Placed (a)
<b>1. U.S. Governments, Schedules D &amp; DA (Group 1)</b>											
1.1 Class 1 .....	70,830,411	4,500,162	5,897,202	6,610,433	1,634,276	89,472,483	28.3	91,511,406	33.8	89,472,483	.0
1.2 Class 2 .....	.0	.0	.0	.0	.0	.0	0.0	.0	0.0	.0	.0
1.3 Class 3 .....	.0	.0	.0	.0	.0	.0	0.0	.0	0.0	.0	.0
1.4 Class 4 .....	.0	.0	.0	.0	.0	.0	0.0	.0	0.0	.0	.0
1.5 Class 5 .....	.0	.0	.0	.0	.0	.0	0.0	.0	0.0	.0	.0
1.6 Class 6 .....	0	0	0	0	0	0	0.0	0	0.0	0	0
1.7 Totals	70,830,411	4,500,162	5,897,202	6,610,433	1,634,276	89,472,483	28.3	91,511,406	33.8	89,472,483	0
<b>2. All Other Governments, Schedules D &amp; DA (Group 2)</b>											
2.1 Class 1 .....	.0	.0	.0	.0	.0	.0	0.0	.0	0.0	.0	.0
2.2 Class 2 .....	.0	.0	.0	.0	.0	.0	0.0	.0	0.0	.0	.0
2.3 Class 3 .....	.0	.0	.0	.0	.0	.0	0.0	.0	0.0	.0	.0
2.4 Class 4 .....	.0	.0	.0	.0	.0	.0	0.0	.0	0.0	.0	.0
2.5 Class 5 .....	.0	.0	.0	.0	.0	.0	0.0	.0	0.0	.0	.0
2.6 Class 6 .....	0	0	0	0	0	0	0.0	0	0.0	0	0
2.7 Totals	0	0	0	0	0	0	0.0	0	0.0	0	0
<b>3. States, Territories and Possessions etc., Guaranteed, Schedules D &amp; DA (Group 3)</b>											
3.1 Class 1 .....	.0	.0	.0	.0	.0	.0	0.0	.0	0.0	.0	.0
3.2 Class 2 .....	.0	.0	.0	.0	.0	.0	0.0	.0	0.0	.0	.0
3.3 Class 3 .....	.0	.0	.0	.0	.0	.0	0.0	.0	0.0	.0	.0
3.4 Class 4 .....	.0	.0	.0	.0	.0	.0	0.0	.0	0.0	.0	.0
3.5 Class 5 .....	.0	.0	.0	.0	.0	.0	0.0	.0	0.0	.0	.0
3.6 Class 6 .....	0	0	0	0	0	0	0.0	0	0.0	0	0
3.7 Totals	0	0	0	0	0	0	0.0	0	0.0	0	0
<b>4. Political Subdivisions of States, Territories and Possessions, Guaranteed, Schedules D &amp; DA (Group 4)</b>											
4.1 Class 1 .....	.0	174,763	.0	.0	.0	174,763	0.1	174,723	0.1	174,763	.0
4.2 Class 2 .....	.0	.0	.0	.0	.0	.0	0.0	.0	0.0	.0	.0
4.3 Class 3 .....	.0	.0	.0	.0	.0	.0	0.0	.0	0.0	.0	.0
4.4 Class 4 .....	.0	.0	.0	.0	.0	.0	0.0	.0	0.0	.0	.0
4.5 Class 5 .....	.0	.0	.0	.0	.0	.0	0.0	.0	0.0	.0	.0
4.6 Class 6 .....	0	0	0	0	0	0	0.0	0	0.0	0	0
4.7 Totals	0	174,763	0	0	0	174,763	0.1	174,723	0.1	174,763	0
<b>5. Special Revenue &amp; Special Assessment Obligations etc., Non-Guaranteed, Schedules D &amp; DA (Group 5)</b>											
5.1 Class 1 .....	8,733,346	22,429,028	14,544,106	7,283,071	1,130,656	54,120,208	17.1	44,778,494	16.5	54,120,208	.0
5.2 Class 2 .....	.0	.0	.0	.0	.0	.0	0.0	.0	0.0	.0	.0
5.3 Class 3 .....	.0	.0	.0	.0	.0	.0	0.0	.0	0.0	.0	.0
5.4 Class 4 .....	.0	.0	.0	.0	.0	.0	0.0	.0	0.0	.0	.0
5.5 Class 5 .....	.0	.0	.0	.0	.0	.0	0.0	.0	0.0	.0	.0
5.6 Class 6 .....	0	0	0	0	0	0	0.0	0	0.0	0	0
5.7 Totals	8,733,346	22,429,028	14,544,106	7,283,071	1,130,656	54,120,208	17.1	44,778,494	16.5	54,120,208	0

ANNUAL STATEMENT FOR THE YEAR 2007 OF THE Priority Health

SCHEDULE D - PART 1A - SECTION 1 (continued)

Quality and Maturity Distribution of All Bonds Owned December 31, at Book/Adjusted Carrying Values by Major Types of Issues and NAIC Designations

	1	2	3	4	5	6	7	8	9	10	11
Quality Rating per the NAIC Designation	1 Year or Less	Over 1 Year Through 5 Years	Over 5 Years Through 10 Years	Over 10 Years Through 20 Years	Over 20 Years	Total Current Year	Col. 6 as a % of Line 10.7	Total from Col. 6 Prior Year	% From Col. 7 Prior Year	Total Publicly Traded	Total Privately Placed (a)
<b>6. Public Utilities (Unaffiliated), Schedules D &amp; DA (Group 6)</b>											
6.1 Class 1 .....	4,850,508	1,049,052	861,526	.0	.0	6,761,086	2.1	3,516,486	1.3	6,761,086	.0
6.2 Class 2 .....	.0	590,621	267,828	.0	.0	858,449	0.3	567,052	0.2	858,449	.0
6.3 Class 3 .....	.0	.0	.0	.0	.0	.0	0.0	.0	0.0	.0	.0
6.4 Class 4 .....	.0	.0	.0	.0	.0	.0	0.0	.0	0.0	.0	.0
6.5 Class 5 .....	.0	.0	.0	.0	.0	.0	0.0	.0	0.0	.0	.0
6.6 Class 6 .....	0	0	0	0	0	0	0.0	0	0.0	0	0
6.7 Totals	4,850,508	1,639,673	1,129,354	0	0	7,619,535	2.4	4,083,538	1.5	7,619,535	0
<b>7. Industrial &amp; Miscellaneous (Unaffiliated), Schedules D &amp; DA (Group 7)</b>											
7.1 Class 1 .....	119,321,209	15,336,848	19,675,194	1,115,536	5,450,682	160,899,468	51.0	126,764,944	46.8	160,899,468	.0
7.2 Class 2 .....	504,995	1,533,968	124,623	500,000	719,427	3,383,013	1.1	3,296,461	1.2	3,383,013	.0
7.3 Class 3 .....	.0	.0	.0	.0	.0	.0	0.0	.0	0.0	.0	.0
7.4 Class 4 .....	.0	.0	.0	.0	.0	.0	0.0	.0	0.0	.0	.0
7.5 Class 5 .....	.0	.0	.0	.0	.0	.0	0.0	.0	0.0	.0	.0
7.6 Class 6 .....	0	0	0	0	0	0	0.0	0	0.0	0	0
7.7 Totals	119,826,203	16,870,816	19,799,817	1,615,536	6,170,109	164,282,481	52.0	130,061,406	48.1	164,282,481	0
<b>8. Credit Tenant Loans, Schedules D &amp; DA (Group 8)</b>											
8.1 Class 1 .....	.0	.0	.0	.0	.0	.0	0.0	.0	0.0	.0	.0
8.2 Class 2 .....	.0	.0	.0	.0	.0	.0	0.0	.0	0.0	.0	.0
8.3 Class 3 .....	.0	.0	.0	.0	.0	.0	0.0	.0	0.0	.0	.0
8.4 Class 4 .....	.0	.0	.0	.0	.0	.0	0.0	.0	0.0	.0	.0
8.5 Class 5 .....	.0	.0	.0	.0	.0	.0	0.0	.0	0.0	.0	.0
8.6 Class 6 .....	0	0	0	0	0	0	0.0	0	0.0	0	0
8.7 Totals	0	0	0	0	0	0	0.0	0	0.0	0	0
<b>9. Parent, Subsidiaries and Affiliates, Schedules D &amp; DA (Group 9)</b>											
9.1 Class 1 .....	.0	.0	.0	.0	.0	.0	0.0	.0	0.0	.0	.0
9.2 Class 2 .....	.0	.0	.0	.0	.0	.0	0.0	.0	0.0	.0	.0
9.3 Class 3 .....	.0	.0	.0	.0	.0	.0	0.0	.0	0.0	.0	.0
9.4 Class 4 .....	.0	.0	.0	.0	.0	.0	0.0	.0	0.0	.0	.0
9.5 Class 5 .....	.0	.0	.0	.0	.0	.0	0.0	.0	0.0	.0	.0
9.6 Class 6 .....	0	0	0	0	0	0	0.0	0	0.0	0	0
9.7 Totals	0	0	0	0	0	0	0.0	0	0.0	0	0

ANNUAL STATEMENT FOR THE YEAR 2007 OF THE Priority Health

SCHEDULE D - PART 1A - SECTION 1 (continued)

Quality and Maturity Distribution of All Bonds Owned December 31, at Book/Adjusted Carrying Values by Major Types of Issues and NAIC Designations

	1	2	3	4	5	6	7	8	9	10	11
Quality Rating per the NAIC Designation	1 Year or Less	Over 1 Year Through 5 Years	Over 5 Years Through 10 Years	Over 10 Years Through 20 Years	Over 20 Years	Total Current Year	Col. 6 as a % of Line 10.7	Total from Col. 6 Prior Year	% From Col. 7 Prior Year	Total Publicly Traded	Total Privately Placed (a)
10. Total Bonds Current Year											
10.1 Class 1	203,735,473	43,489,853	40,978,028	15,009,040	8,215,614	311,428,008	98.7	XXX	XXX	311,428,008	.0
10.2 Class 2	504,995	2,124,589	392,451	500,000	719,427	4,241,462	1.3	XXX	XXX	4,241,462	.0
10.3 Class 3	.0	.0	.0	.0	.0	.0	0.0	XXX	XXX	.0	.0
10.4 Class 4	.0	.0	.0	.0	.0	.0	0.0	XXX	XXX	.0	.0
10.5 Class 5	.0	.0	.0	.0	.0	(c) .0	0.0	XXX	XXX	.0	.0
10.6 Class 6	.0	.0	.0	.0	.0	(c) .0	0.0	XXX	XXX	.0	.0
10.7 Totals	204,240,468	45,614,442	41,370,479	15,509,040	8,935,041	(b) 315,669,469	100.0	XXX	XXX	315,669,469	.0
10.8 Line 10.7 as a % of Col. 6	64.7	14.4	13.1	4.9	2.8	100.0	XXX	XXX	XXX	100.0	0.0
11. Total Bonds Prior Year											
11.1 Class 1	156,542,617	50,572,233	35,215,498	13,592,650	10,823,055	XXX	XXX	266,746,053	98.6	266,746,053	.0
11.2 Class 2	300,492	1,570,810	536,432	.0	1,455,779	XXX	XXX	3,863,514	1.4	3,863,514	.0
11.3 Class 3	.0	.0	.0	.0	.0	XXX	XXX	.0	0.0	.0	.0
11.4 Class 4	.0	.0	.0	.0	.0	XXX	XXX	.0	0.0	.0	.0
11.5 Class 5	.0	.0	.0	.0	.0	XXX	XXX	(c) .0	0.0	.0	.0
11.6 Class 6	.0	.0	.0	.0	.0	XXX	XXX	(c) .0	0.0	.0	.0
11.7 Totals	156,843,109	52,143,043	35,751,930	13,592,650	12,278,835	XXX	XXX	(b) 270,609,566	100.0	270,609,566	.0
11.8 Line 11.7 as a % of Col. 8	58.0	19.3	13.2	5.0	4.5	XXX	XXX	100.0	XXX	100.0	0.0
12. Total Publicly Traded Bonds											
12.1 Class 1	203,735,473	43,489,853	40,978,028	15,009,040	8,215,614	311,428,008	98.7	266,746,053	98.6	311,428,008	XXX
12.2 Class 2	504,995	2,124,589	392,451	500,000	719,427	4,241,462	1.3	3,863,514	1.4	4,241,462	XXX
12.3 Class 3	.0	.0	.0	.0	.0	.0	0.0	.0	0.0	.0	XXX
12.4 Class 4	.0	.0	.0	.0	.0	.0	0.0	.0	0.0	.0	XXX
12.5 Class 5	.0	.0	.0	.0	.0	.0	0.0	.0	0.0	.0	XXX
12.6 Class 6	.0	.0	.0	.0	.0	.0	0.0	.0	0.0	.0	XXX
12.7 Totals	204,240,468	45,614,442	41,370,479	15,509,040	8,935,041	315,669,469	100.0	270,609,566	100.0	315,669,469	XXX
12.8 Line 12.7 as a % of Col. 6	64.7	14.4	13.1	4.9	2.8	100.0	XXX	XXX	XXX	100.0	XXX
12.9 Line 12.7 as a % of Line 10.7, Col. 6, Section 10	64.7	14.4	13.1	4.9	2.8	100.0	XXX	XXX	XXX	100.0	XXX
13. Total Privately Placed Bonds											
13.1 Class 1	.0	.0	.0	.0	.0	.0	0.0	.0	0.0	XXX	.0
13.2 Class 2	.0	.0	.0	.0	.0	.0	0.0	.0	0.0	XXX	.0
13.3 Class 3	.0	.0	.0	.0	.0	.0	0.0	.0	0.0	XXX	.0
13.4 Class 4	.0	.0	.0	.0	.0	.0	0.0	.0	0.0	XXX	.0
13.5 Class 5	.0	.0	.0	.0	.0	.0	0.0	.0	0.0	XXX	.0
13.6 Class 6	.0	.0	.0	.0	.0	.0	0.0	.0	0.0	XXX	.0
13.7 Totals	.0	.0	.0	.0	.0	.0	0.0	.0	0.0	XXX	.0
13.8 Line 13.7 as a % of Col. 6	.0	.0	.0	.0	.0	.0	XXX	XXX	XXX	XXX	.0
13.9 Line 13.7 as a % of Line 10.7, Col. 6, Section 10	0.0	0.0	0.0	0.0	0.0	0.0	XXX	XXX	XXX	XXX	0.0

(a) Includes \$ .0 freely tradable under SEC Rule 144 or qualified for resale under SEC Rule 144A.

(b) Includes \$ .0 current year, \$ .0 prior year of bonds with Z designations and \$ .0 , current year, \$ .0 prior year of bonds with Z\* designations. The letter “Z” means the NAIC designation was not assigned by the Securities Valuation Office (SVO) at the date of the statement. “Z\*” means the SVO could not evaluate the obligation because valuation procedures for the security class is under regulatory review.

(c) Includes \$ .0 current year, \$ .0 prior year of bonds with 5\* designations and \$ .0 , current year, \$ .0 prior year of bonds with 6\* designations. “5\*” means the NAIC designation was assigned by the SVO in reliance on the insurer’s certification that the issuer is current in all principal and interest payments. “6\*” means the NAIC designation was assigned by the SVO due to inadequate certification of principal and interest payments.

ANNUAL STATEMENT FOR THE YEAR 2007 OF THE Priority Health

SCHEDULE D - PART 1A - SECTION 2

Maturity Distribution of All Bonds Owned December 31, at Book/Adjusted Carrying Values by Major Type and Subtype of Issues

Distribution by Type	1 1 Year or Less	2 Over 1 Year Through 5 Years	3 Over 5 Years Through 10 Years	4 Over 10 Years Through 20 Years	5 Over 20 Years	6 Total Current Year	7 Col. 6 as a % of Line 10.7	8 Total from Col 6 Prior Year	9 % From Col. 7 Prior Year	10 Total Publicly Traded	11 Total Privately Placed
<b>1. U.S. Governments, Schedules D &amp; DA (Group 1)</b>											
1.1 Issuer Obligations .....	70,659,097	3,989,175	5,581,499	6,399,183	1,599,673	88,228,627	27.9	90,067,822	33.3	88,228,626	.0
1.2 Single Class Mortgage-Backed/Asset-Backed Securities .....	171,314	510,988	315,703	211,250	34,603	1,243,858	0.4	1,443,584	0.5	1,243,857	0
1.7 Totals .....	70,830,411	4,500,163	5,897,202	6,610,433	1,634,276	89,472,485	28.3	91,511,406	33.8	89,472,483	0
<b>2. All Other Governments, Schedules D &amp; DA (Group 2)</b>											
2.1 Issuer Obligations .....	.0	.0	.0	.0	.0	.0	0.0	.0	0.0	.0	.0
2.2 Single Class Mortgage-Backed/Asset-Backed Securities .....	.0	.0	.0	.0	.0	.0	0.0	.0	0.0	.0	.0
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES .....											
2.3 Defined .....	.0	.0	.0	.0	.0	.0	0.0	.0	0.0	.0	.0
2.4 Other .....	.0	.0	.0	.0	.0	.0	0.0	.0	0.0	.0	.0
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET- BACKED SECURITIES .....											
2.5 Defined .....	.0	.0	.0	.0	.0	.0	0.0	.0	0.0	.0	.0
2.6 Other .....	0	0	0	0	0	0	0.0	0	0.0	0	0
2.7 Totals .....	0	0	0	0	0	0	0.0	0	0.0	0	0
<b>3. States, Territories, and Possessions Guaranteed, Schedules D &amp; DA (Group 3)</b>											
3.1 Issuer Obligations .....	.0	.0	.0	.0	.0	.0	0.0	.0	0.0	.0	.0
3.2 Single Class Mortgage-Backed/Asset-Backed Securities .....	.0	.0	.0	.0	.0	.0	0.0	.0	0.0	.0	.0
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES .....											
3.3 Defined .....	.0	.0	.0	.0	.0	.0	0.0	.0	0.0	.0	.0
3.4 Other .....	.0	.0	.0	.0	.0	.0	0.0	.0	0.0	.0	.0
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET- BACKED SECURITIES .....											
3.5 Defined .....	.0	.0	.0	.0	.0	.0	0.0	.0	0.0	.0	.0
3.6 Other .....	0	0	0	0	0	0	0.0	0	0.0	0	0
3.7 Totals .....	0	0	0	0	0	0	0.0	0	0.0	0	0
<b>4. Political Subdivisions of States, Territories and Possessions, Guaranteed, Schedules D &amp; DA (Group 4)</b>											
4.1 Issuer Obligations .....	.0	174,763	.0	.0	.0	174,763	0.1	174,723	0.1	174,763	.0
4.2 Single Class Mortgage-Backed/Asset-Backed Securities .....	.0	.0	.0	.0	.0	.0	0.0	.0	0.0	.0	.0
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES .....											
4.3 Defined .....	.0	.0	.0	.0	.0	.0	0.0	.0	0.0	.0	.0
4.4 Other .....	.0	.0	.0	.0	.0	.0	0.0	.0	0.0	.0	.0
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET- BACKED SECURITIES .....											
4.5 Defined .....	.0	.0	.0	.0	.0	.0	0.0	.0	0.0	.0	.0
4.6 Other .....	0	0	0	0	0	0	0.0	0	0.0	0	0
4.7 Totals .....	0	174,763	0	0	0	174,763	0.1	174,723	0.1	174,763	0
<b>5. Special Revenue &amp; Special Assessment Obligations etc., Non-Guaranteed, Schedules D &amp; DA (Group 5)</b>											
5.1 Issuer Obligations .....	1,000,254	.0	2,000,000	.0	.0	3,000,254	1.0	1,500,878	.6	3,000,254	.0
5.2 Single Class Mortgage-Backed/Asset-Backed Securities .....	7,221,038	22,215,923	12,544,106	7,283,071	1,130,656	50,394,794	16.0	42,303,695	15.6	50,394,794	.0
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES .....											
5.3 Defined .....	512,055	213,105	.0	.0	.0	725,160	0.2	973,921	0.4	725,160	.0
5.4 Other .....	.0	.0	.0	.0	.0	.0	0.0	.0	0.0	.0	.0
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET- BACKED SECURITIES .....											
5.5 Defined .....	.0	.0	.0	.0	.0	.0	0.0	.0	0.0	.0	.0
5.6 Other .....	0	0	0	0	0	0	0.0	0	0.0	0	0
5.7 Totals .....	8,733,347	22,429,028	14,544,106	7,283,071	1,130,656	54,120,208	17.1	44,778,494	16.5	54,120,208	0

ANNUAL STATEMENT FOR THE YEAR 2007 OF THE Priority Health

SCHEDULE D - PART 1A - SECTION 2 (continued)

Maturity Distribution of All Bonds Owned December 31, at Book/Adjusted Carrying Values by Major Type and Subtype of Issues

Distribution by Type	1 1 Year or Less	2 Over 1 Year Through 5 Years	3 Over 5 Years Through 10 Years	4 Over 10 Years Through 20 Years	5 Over 20 Years	6 Total Current Year	7 Col. 6 as a % of Line 10.7	8 Total from Col. 6 Prior Year	9 % From Col. 7 Prior Year	10 Total Publicly Traded	11 Total Privately Placed
<b>6. Public Utilities (Unaffiliated), Schedules D &amp; DA (Group 6)</b>											
6.1 Issuer Obligations .....	4,850,508	1,639,673	1,129,354	.0	.0	7,619,535	2.4	4,083,538	1.5	7,619,535	.0
6.2 Single Class Mortgage-Backed/Asset-Based Securities .....	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
MULTI-CLASS RESIDENTIAL MORTGAGE- BACKED SECURITIES											
6.3 Defined .....	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
6.4 Other .....	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
MULTI-CLASS COMMERCIAL MORTGAGE- BACKED/ASSET-BACKED SECURITIES											
6.5 Defined .....	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
6.6 Other .....	0	0	0	0	0	0	0.0	0	0.0	0	0
6.7 Totals	4,850,508	1,639,673	1,129,354	0	0	7,619,535	2.4	4,083,538	1.5	7,619,535	0
<b>7. Industrial &amp; Miscellaneous (Unaffiliated), Schedules D &amp; DA (Group 7)</b>											
7.1 Issuer Obligations .....	114,816,524	10,438,694	8,008,286	1,612,028	6,170,109	141,045,641	44.7	115,561,017	42.7	141,045,641	.0
7.2 Single Class Mortgage-Backed/Asset-Based Securities .....	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
MULTI-CLASS RESIDENTIAL MORTGAGE- BACKED SECURITIES											
7.3 Defined .....	128,692	311,363	114,534	3,508	.0	558,097	0.2	659,181	0.2	558,096	.0
7.4 Other .....	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
MULTI-CLASS COMMERCIAL MORTGAGE- BACKED/ASSET-BACKED SECURITIES											
7.5 Defined .....	1,625,942	4,129,000	11,676,998	.0	.0	17,431,940	5.5	12,482,803	4.6	17,431,940	.0
7.6 Other .....	3,255,045	1,991,759	0	0	0	5,246,804	1.7	1,358,406	0.5	5,246,804	0
7.7 Totals	119,826,203	16,870,816	19,799,818	1,615,536	6,170,109	164,282,482	52.0	130,061,406	48.1	164,282,481	0
<b>8. Credit Tenant Loans, Schedules D &amp; DA (Group 8)</b>											
8.1 Issuer Obligations .....	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
8.7 Totals	0	0	0	0	0	0	0.0	0	0.0	0	0
<b>9. Parents, Subsidiaries and Affiliates, Schedules D &amp; DA (Group 9)</b>											
9.1 Issuer Obligations .....	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
9.2 Single Class Mortgage-Backed/Asset-Based Securities .....	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
MULTI-CLASS RESIDENTIAL MORTGAGE- BACKED SECURITIES											
9.3 Defined .....	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
9.4 Other .....	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
MULTI-CLASS COMMERCIAL MORTGAGE- BACKED/ASSET-BACKED SECURITIES											
9.5 Defined .....	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
9.6 Other .....	0	0	0	0	0	0	0.0	0	0.0	0	0
9.7 Totals	0	0	0	0	0	0	0.0	0	0.0	0	0

ANNUAL STATEMENT FOR THE YEAR 2007 OF THE Priority Health

SCHEDULE D - PART 1A - SECTION 2 (continued)

Maturity Distribution of All Bonds Owned December 31, at Book/Adjusted Carrying Values by Major Type and Subtype of Issues

Distribution by Type	1 1 Year or Less	2 Over 1 Year Through 5 Years	3 Over 5 Years Through 10 Years	4 Over 10 Years Through 20 Years	5 Over 20 Years	6 Total Current Year	7 Col. 6 as a % of Line 10.7	8 Total From Col. 6 Prior Year	9 % From Col. 7 Prior Year	10 Total Publicly Traded	11 Total Privately Placed
10. Total Bonds Current Year											
10.1 Issuer Obligations	191,326,383	16,242,305	16,719,139	8,011,211	7,769,782	240,068,820	76.1	XXX	XXX	240,068,819	.0
10.2 Single Class Mortgage-Backed/Asset-Backed Securities	7,392,352	22,726,911	12,859,809	7,494,321	1,165,259	51,638,652	16.4	XXX	XXX	51,638,651	.0
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES											
10.3 Defined	640,747	524,468	114,534	3,508	.0	1,283,257	0.4	XXX	XXX	1,283,256	.0
10.4 Other	.0	.0	.0	.0	.0	.0	0.0	XXX	XXX	.0	.0
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES											
10.5 Defined	1,625,942	4,129,000	11,676,998	.0	.0	17,431,940	5.5	XXX	XXX	17,431,940	.0
10.6 Other	3,255,045	1,991,759	.0	.0	.0	5,246,804	1.7	XXX	XXX	5,246,804	.0
10.7 Totals	204,240,469	45,614,443	41,370,480	15,509,040	8,935,041	315,669,473	100.0	XXX	XXX	315,669,470	.0
10.8 Line 10.7 as a % of Col. 6	64.7	14.5	13.1	4.9	2.8	100.0	XXX	XXX	XXX	100.0	0.0
11. Total Bonds Prior Year											
11.1 Issuer Obligations	149,321,112	26,401,847	17,240,877	7,105,083	11,319,060	XXX	XXX	211,387,978	78.1	211,387,978	.0
11.2 Single Class Mortgage-Backed/Asset-Backed Securities	6,441,218	19,090,861	10,780,940	6,474,485	959,775	XXX	XXX	43,747,278	16.2	43,747,278	.0
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES											
11.3 Defined	763,866	718,649	137,505	13,081	.0	XXX	XXX	1,633,101	0.6	1,633,101	.0
11.4 Other	.0	.0	.0	.0	.0	XXX	XXX	.0	0.0	.0	.0
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES											
11.5 Defined	110,403	4,779,792	7,592,609	.0	.0	XXX	XXX	12,482,803	4.6	12,482,803	.0
11.6 Other	206,511	1,151,895	.0	.0	.0	XXX	XXX	1,358,406	0.5	1,358,406	.0
11.7 Totals	156,843,109	52,143,043	35,751,930	13,592,650	12,278,835	XXX	XXX	270,609,566	100.0	270,609,566	.0
11.8 Line 11.7 as a % of Col. 8	58.0	19.3	13.2	5.0	4.5	XXX	XXX	100.0	XXX	100.0	0.0
12. Total Publicly Traded Bonds											
12.1 Issuer Obligations	191,326,383	16,242,304	16,719,139	8,011,211	7,769,782	240,068,819	76.1	211,387,978	78.1	240,068,819	XXX
12.2 Single Class Mortgage-Backed/Asset-Backed Securities	7,392,352	22,726,911	12,859,809	7,494,321	1,165,259	51,638,652	16.4	43,747,278	16.2	51,638,652	XXX
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES											
12.3 Defined	640,747	524,468	114,534	3,508	.0	1,283,257	0.4	1,633,101	0.6	1,283,257	XXX
12.4 Other	.0	.0	.0	.0	.0	.0	0.0	.0	0.0	.0	XXX
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES											
12.5 Defined	1,625,942	4,129,000	11,676,998	.0	.0	17,431,940	5.5	12,482,803	4.6	17,431,940	XXX
12.6 Other	3,255,045	1,991,759	.0	.0	.0	5,246,804	1.7	1,358,406	0.5	5,246,804	XXX
12.7 Totals	204,240,469	45,614,442	41,370,480	15,509,040	8,935,041	315,669,472	100.0	270,609,566	100.0	315,669,472	XXX
12.8 Line 12.7 as a % of Col. 6	64.7	14.5	13.1	4.9	2.8	100.0	XXX	XXX	XXX	100.0	XXX
12.9 Line 12.7 as a % of Line 10.7, Col. 6, Section 10	64.7	14.5	13.1	4.9	2.8	100.0	XXX	XXX	XXX	100.0	XXX
13. Total Privately Placed Bonds											
13.1 Issuer Obligations	.0	.0	.0	.0	.0	.0	0.0	.0	0.0	XXX	.0
13.2 Single Class Mortgage-Backed/Asset-Backed Securities	.0	.0	.0	.0	.0	.0	0.0	.0	0.0	XXX	.0
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES											
13.3 Defined	.0	.0	.0	.0	.0	.0	0.0	.0	0.0	XXX	.0
13.4 Other	.0	.0	.0	.0	.0	.0	0.0	.0	0.0	XXX	.0
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES											
13.5 Defined	.0	.0	.0	.0	.0	.0	0.0	.0	0.0	XXX	.0
13.6 Other	.0	.0	.0	.0	.0	.0	0.0	.0	0.0	XXX	.0
13.7 Totals	.0	.0	.0	.0	.0	.0	0.0	.0	0.0	XXX	.0
13.8 Line 13.7 as a % of Col. 6	0.0	0.0	0.0	0.0	0.0	0.0	XXX	XXX	XXX	XXX	0.0
13.9 Line 13.7 as a % of Line 10.7, Col. 6, Section 10	0.0	0.0	0.0	0.0	0.0	0.0	XXX	XXX	XXX	XXX	0.0

SCHEDULE DA - PART 2 - VERIFICATION BETWEEN YEARS

Short-Term Investments					
	1	2	3	4	5
	Total	Bonds	Mortgage Loans	Other Short-term Investment Assets(a)	Investments in Parent, Subsidiaries and Affiliates
1. Book/adjusted carrying value, prior year .....	141,855,430	141,855,430	0	0	0
2. Cost of short-term investments acquired .....	357,435,116	357,435,116	0	0	0
3. Increase (decrease) by adjustment .....	942,247	942,247	0	0	0
4. Increase (decrease) by foreign exchange adjustment .....	0	0	0	0	0
5. Total profit (loss) on disposal of short-term investments .....	100	100	0	0	0
6. Consideration received on disposal of short-term investments .....	318,988,692	318,988,692	0	0	0
7. Book/adjusted carrying value, current year .....	181,244,200	181,244,200	0	0	0
8. Total valuation allowance .....	0	0	0	0	0
9. Subtotal (Lines 7 plus 8) .....	181,244,200	181,244,200	0	0	0
10. Total nonadmitted amounts .....	0	0	0	0	0
11. Statement value (Lines 9 minus 10) .....	181,244,200	181,244,200	0	0	0
12. Income collected during year .....	8,615,891	8,615,891	0	0	0
13. Income earned during year .....	8,515,762	8,515,762	0	0	0

(a) Indicate the category of such assets, for example, joint ventures, transportation equipment: .....

Schedule DB - Part A - VBY  
**NONE**

Schedule DB - Part B - VBY  
**NONE**

Schedule DB - Part C - VBY  
**NONE**

Schedule DB - Part D - VBY  
**NONE**

Schedule DB - Part E - VBY  
**NONE**

Schedule DB - Part F - Section 1  
**NONE**

Schedule DB - Part F - Section 2  
**NONE**

Schedule S - Part 1 - Section 2  
**NONE**

Schedule S - Part 2  
**NONE**

## ANNUAL STATEMENT FOR THE YEAR 2007 OF THE Priority Health

## SCHEDULE S - PART 3 - SECTION 2

Reinsurance Ceded Accident and Health Insurance Listed by Reinsuring Company as of December 31, Current Year

[illegible]

## 47

### Reinsurance Ceded to Unauthorized Companies

[illegible]

Schedule S-Part 5  
Five-Year Exhibit of Reinsurance Ceded Business  
(000 Omitted)

	1 2007	2 2006	3 2005	4 2004	5 2003
<b>A. OPERATIONS ITEMS</b>					
1. Premiums.....	888	1,837	691	1,056	1,517
2. Title XVIII-Medicare.....	7	.0	.0	.0	.0
3. Title XIX-Medicaid.....	0	.0	.0	.0	.0
4. Commissions and reinsurance expense allowance.....		.0	.0	.0	.0
5. Total hospital and medical expenses.....	1,686	1,131	156	161	1,299
<b>B. BALANCE SHEET ITEMS</b>					
6. Premiums receivable .....		.0	.0	.0	.0
7. Claims payable.....		.0	.0	.0	.0
8. Reinsurance recoverable on paid losses.....	0	357	.0	.0	139
9. Experience rating refunds due or unpaid.....		.0	.0	.0	.0
10. Commissions and reinsurance expense allowances unpaid.....		.0	.0	.0	.0
11. Unauthorized reinsurance offset.....	0	.0	.0	.0	.0
<b>C. UNAUTHORIZED REINSURANCE (DEPOSITS BY AND FUNDS WITHHELD FROM)</b>					
12. Funds deposited by and withheld from (F).....	0	.0	.0	.0	.0
13. Letters of credit (L).....	0	.0	.0	.0	.0
14. Trust agreements (T).....	0	.0	.0	.0	.0
15. Other (O)	0	0	0	0	0

SCHEDULE S-PART 6  
Restatement of Balance Sheet to Identify Net Credit For Ceded Reinsurance

	1	2	3
	As Reported (net of ceded)	Restatement Adjustments	Restated (gross of ceded)
ASSETS (Page 2, Col. 3)			
1. Cash and invested assets (Line 10) .....	366,664,501	.894,839	367,559,340
2. Accident and health premiums due and unpaid (Line 13).....	12,022,578		12,022,578
3. Amounts recoverable from reinsurers (Line 14.1).....	0		0
4. Net credit for ceded reinsurance.....	.XXX	(894,839)	(894,839)
5. All other admitted assets (Balance).....	13,162,396		13,162,396
6. Total assets (Line 26)	391,849,475	0	391,849,475
LIABILITIES, CAPITAL AND SURPLUS (Page 3)			
7. Claims unpaid (Line 1).....	103,382,443	.0	103,382,443
8. Accrued medical incentive pool and bonus payments (Line 2).....	17,652,309		17,652,309
9. Premiums received in advance (Line 8).....	26,652,915		26,652,915
10. Funds held under reinsurance treaties with authorized and unauthorized insurers (Line 17).....	0		0
11. Reinsurance in unauthorized companies (Line 18).....	0		0
12. All other liabilities (Balance).....	28,712,851		28,712,851
13. Total liabilities (Line 22).....	176,400,518	.0	176,400,518
14. Total capital and surplus (Line 31).....	215,448,957	.XXX	215,448,957
15. Total liabilities, capital and surplus (Line 32)	391,849,475	0	391,849,475
NET CREDIT FOR CEDED REINSURANCE			
16. Claims unpaid.....	0		
17. Accrued medical incentive pool.....	0		
18. Premiums received in advance .....	0		
19. Reinsurance recoverable on paid losses .....	0		
20. Other ceded reinsurance recoverables .....	(894,839)		
21. Total ceded reinsurance recoverables .....	(894,839)		
22. Premiums receivable .....	0		
23. Funds held under reinsurance treaties with authorized and unauthorized reinsurers .....	0		
24. Unauthorized reinsurance .....	0		
25. Other ceded reinsurance payables/offsets .....	0		
26. Total ceded reinsurance payables/offsets .....	0		
27. Total net credit for ceded reinsurance	(894,839)		

ANNUAL STATEMENT FOR THE YEAR 2007 OF THE Priority Health

SCHEDULE T – PART 2  
INTERSTATE COMPACT – EXHIBIT OF PREMIUMS WRITTEN

Allocated by States and Territories

States, Etc.		Direct Business Only					
		1	2	3	4	5	6
		Life (Group and Individual)	Annuities (Group and Individual)	Disability Income (Group and Individual)	Long-Term Care (Group and Individual)	Deposit-Type Contracts	Totals
1. Alabama .....	AL						0
2. Alaska .....	AK						0
3. Arizona .....	AZ						0
4. Arkansas .....	AR						0
5. California .....	CA						0
6. Colorado .....	CO						0
7. Connecticut .....	CT						0
8. Delaware .....	DE						0
9. District of Columbia .....	DC						0
10. Florida .....	FL						0
11. Georgia .....	GA						0
12. Hawaii .....	HI						0
13. Idaho .....	ID						0
14. Illinois .....	IL						0
15. Indiana .....	IN						0
16. Iowa .....	IA						0
17. Kansas .....	KS						0
18. Kentucky .....	KY						0
19. Louisiana .....	LA						0
20. Maine .....	ME						0
21. Maryland .....	MD						0
22. Massachusetts .....	MA						0
23. Michigan .....	MI						0
24. Minnesota .....	MN						0
25. Mississippi .....	MS						0
26. Missouri .....	MO						0
27. Montana .....	MT						0
28. Nebraska .....	NE						0
29. Nevada .....	NV						0
30. New Hampshire .....	NH						0
31. New Jersey .....	NJ						0
32. New Mexico .....	NM						0
33. New York .....	NY						0
34. North Carolina .....	NC						0
35. North Dakota .....	ND						0
36. Ohio .....	OH						0
37. Oklahoma .....	OK						0
38. Oregon .....	OR						0
39. Pennsylvania .....	PA						0
40. Rhode Island .....	RI						0
41. South Carolina .....	SC						0
42. South Dakota .....	SD						0
43. Tennessee .....	TN						0
44. Texas .....	TX						0
45. Utah .....	UT						0
46. Vermont .....	VT						0
47. Virginia .....	VA						0
48. Washington .....	WA						0
49. West Virginia .....	WV						0
50. Wisconsin .....	WI						0
51. Wyoming .....	WY						0
52. American Samoa .....	AS						0
53. Guam .....	GU						0
54. Puerto Rico .....	PR						0
55. U.S. Virgin Islands .....	VI						0
56. Northern Mariana Islands .....	MP						0
57. Canada .....	CN						0
58. Aggregate Other Alien .....	OT						0
59. Totals		0	0	0	0	0	0

NONE

## 55

## SCHEDULE Y

## PART 2 - SUMMARY OF INSURER'S TRANSACTIONS WITH ANY AFFILIATES

[illegible]

SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

The following supplemental reports are required to be filed as part of your statement filing unless specifically waived by the domiciliary state. However, in the event that your domiciliary state waives the filing requirement, your response of **WAIVED** to the specific interrogatory will be accepted in lieu of filing a "NONE" report and a bar code will be printed below. If the supplement is required of your company but is not filed for whatever reason enter **SEE EXPLANATION** and provide an explanation following the interrogatory questions.

MARCH FILING

- |   | Responses     |
|---|---------------|
| 1. Will the Supplemental Compensation Exhibit be filed with the state of domicile by March 1?                   | .....YES..... |
| 2. Will an actuarial opinion be filed by March 1?   | .....YES..... |
| 3. Will the confidential Risk-based Capital Report be filed with the NAIC by March 1?                           | .....YES..... |
| 4. Will the confidential Risk-based Capital Report be filed with the state of domicile, if required by March 1? | .....YES..... |

APRIL FILING

- |  |               |
|--|---------------|
| 5. Will Management's Discussion and Analysis be filed by April 1?              | .....YES..... |
| 6. Will the Supplemental Investment Risks Interrogatories be filed by April 1? | .....YES..... |
| 7. Will the Accident and Health Policy Experience Exhibit be filed by April 1? | .....YES..... |

JUNE FILING

- |   |               |
|---|---------------|
| 8. Will an audited financial report be filed by June 1? | .....YES..... |
|---|---------------|

The following supplemental reports are required to be filed as part of your statement filing. However, in the event that your company does not transact the type of business for which the special report must be filed, your response of **NO** to the specific interrogatory will be accepted in lieu of filing a "NONE" report and a bar code will be printed below. If the supplement is required of your company but is not filed for whatever reason enter **SEE EXPLANATION** and provide an explanation following the interrogatory questions.

MARCH FILING

- |   |              |
|---|--------------|
| 9. Will the Medicare Supplement Insurance Experience Exhibit be filed with the state of domicile and the NAIC by March 1? | .....NO..... |
| 10. Will the Supplemental Life data due March 1 be filed with the state of domicile and the NAIC?                         | .....NO..... |
| 11. Will the Supplemental Property/Casualty data due March 1 be filed with the state of domicile and the NAIC?            | .....NO..... |
| 12. Will the Schedule SIS (Stockholder Information Supplement) be filed with the state of domicile by March 1?            | .....NO..... |
| 13. Will the Medicare Part D Coverage Supplement be filed with the state of domicile and the NAIC by March 1?             | .....NO..... |

APRIL FILING

- |   |              |
|---|--------------|
| 14. Will the Long-Term Care Experience Reporting Forms be filed with the state of domicile and the NAIC by April 1?                               | .....NO..... |
| 15. Will the Supplemental Life data due April 1 be filed with the state of domicile and the NAIC?   | .....NO..... |
| 16. Will the Supplemental Property/Casualty Insurance Expense Exhibit due April 1 be filed with any state that requires it, and, if so, the NAIC? | .....NO..... |

EXPLANATION:

9.

10.

11.

12.

13.

14.

15.

16.

BAR CODE:



OVERFLOW PAGE FOR WRITE-INS

# ALPHABETICAL INDEX

([http://www.naic.org/committees\\_e\\_app\\_blanks.htm](http://www.naic.org/committees_e_app_blanks.htm))

## ANNUAL STATEMENT BLANK

Exhibit of Nonadmitted Assets	16
Analysis of Operations By Lines of Business	7
Assets	2
Cash Flow	6
Exhibit 1 – Enrollment By Product Type for Health Business Only	17
Exhibit 2 – Accident and Health Premiums Due and Unpaid	18
Exhibit 3 – Health Care Receivables	19
Exhibit 4 – Claims Unpaid and Incentive Pool, Withhold and Bonus	20
Exhibit 5 – Amounts Due From Parent, Subsidiaries and Affiliates	21
Exhibit 6 – Amounts Due To Parent, Subsidiaries and Affiliates	22
Exhibit 7 – Part 1 – Summary of Transactions With Providers	23
Exhibit 7 – Part 2 – Summary of Transactions With Intermediaries	23
Exhibit 8 – Furniture, Equipment and Supplies Owned	24
Exhibit of Capital Gains (Losses)	15
Exhibit of Net Investment Income	15
Exhibit of Premiums, Enrollment and Utilization (State Page)	30
Five-Year Historical Data	29
General Interrogatories	27
Jurat Page	1
Liabilities, Capital and Surplus	3
Notes To Financial Statements	25
Overflow Page For Write-ins	55
Schedule A – Part 1	E01
Schedule A – Part 2	E02
Schedule A – Part 3	E03
Schedule A – Verification Between Years	31
Schedule B – Part 1	E04
Schedule B – Part 2	E05
Schedule B – Verification Between Years	31
Schedule BA – Part 1	E06
Schedule BA – Part 2	E07
Schedule BA – Verification Between Years	31
Schedule D – Part 1	E08
Schedule D – Part 1A – Section 1	33
Schedule D – Part 1A – Section 2	36
Schedule D – Part 2 – Section 1	E09

# ALPHABETICAL INDEX

---

**ANNUAL STATEMENT BLANK (Continued)**

Schedule D – Part 2 – Section 2	E10
Schedule D – Part 3	E11
Schedule D – Part 4	E12
Schedule D – Part 5	E13
Schedule D – Part 6 – Section 1	E14
Schedule D – Part 6 – Section 2	E14
Schedule D – Summary By Country	32
Schedule D – Verification Between Years	32
Schedule DA – Part 1	E15
Schedule DA – Part 2 – Verification Between Years	39
Schedule DB – Part A – Section 1	E16
Schedule DB – Part A – Section 2	E16
Schedule DB – Part A – Section 3	E17
Schedule DB – Part A – Verification Between Years	40
Schedule DB – Part B – Section 1	E17
Schedule DB – Part B – Section 2	E18
Schedule DB – Part B – Section 3	E18
Schedule DB – Part B – Verification Between Years	40
Schedule DB – Part C – Section 1	E19
Schedule DB – Part C – Section 2	E19
Schedule DB – Part C – Section 3	E20
Schedule DB – Part C – Verification Between Years	41
Schedule DB – Part D – Section 1	E20
Schedule DB – Part D – Section 2	E21
Schedule DB – Part D – Section 3	E21
Schedule DB – Part D – Verification Between Years	41
Schedule DB – Part E – Section 1	E22
Schedule DB – Part E – Verification	41
Schedule DB – Part F – Section 1	42
Schedule DB – Part F – Section 2	43
Schedule E – Part 1 – Cash	E23
Schedule E – Part 2 – Cash Equivalents	E24
Schedule E – Part 3 – Special Deposits	E25
Schedule S – Part 1 – Section 2	44
Schedule S – Part 2	45
Schedule S – Part 3 – Section 2	46
Schedule S – Part 4	47
Schedule S – Part 5	48
Schedule S – Part 6	49
Schedule T – Part 2 – Interstate Compact	51

# ALPHABETICAL INDEX

---

**ANNUAL STATEMENT BLANK (Continued)**

Schedule T – Premiums and Other Considerations	50
Schedule Y – Information Concerning Activities of Insurer Members of a Holding Company Group	52
Schedule Y - Part 2 – Summary of Insurer’s Transactions With Any Affiliates	53
Statement of Revenue and Expenses	4
Summary Investment Schedule	26
Supplemental Exhibits and Schedules Interrogatories	54
Underwriting and Investment Exhibit – Part 1	8
Underwriting and Investment Exhibit – Part 2	9
Underwriting and Investment Exhibit – Part 2A	10
Underwriting and Investment Exhibit – Part 2B	11
Underwriting and Investment Exhibit – Part 2C	12
Underwriting and Investment Exhibit – Part 2D	13
Underwriting and Investment Exhibit – Part 3	14

